

To the Members of the California State Senate:

I am returning Senate Bill 789 without my signature.

This measure would allow the Chino Valley Unified School District to sell land that was purchased using 50 percent state school construction bond funds and yet still retain 100 percent of the proceeds from the sale. The State Allocation Board is currently considering its authority to receive a refund of the site acquisition costs that the State provided. Until that issue is resolved, which may require legislation, I am reluctant to establish a precedent by signing this bill.

As a secondary concern, the bill also would allow the District to dispose of the portion of the school site that was approved by the California Department of Education (CDE) and considered as necessary for the master plan capacity of the site. Again, this bill would set a precedent by which districts receive State funding for master plan capacity and later are able to dispose of the property and retain the proceeds.

For these reasons, I am unable to sign this bill.

Sincerely,

Arnold Schwarzenegger